

SECOND QUARTER FINANCIAL STATEMENT AND DIVIDEND ANNOUNCEMENT
**PART I INFORMATION REQUIRED FOR QUARTERLY (Q1, Q2 & Q3),
HALF-YEAR AND FULL YEAR ANNOUNCEMENTS**
**UNAUDITED FINANCIAL STATEMENT ANNOUNCEMENT FOR THE FINANCIAL PERIOD
FROM 1 JANUARY 2016 TO 30 JUNE 2016**

1(a)(i) Consolidated Statements of Profit or Loss and Other Comprehensive Income (for the Group), together with a comparative statement for the corresponding period of the immediately preceding financial year

	2nd Qtr 2016	2nd Qtr 2015	Change	YTD June 2016	YTD June 2015	Change
	Rp '000	Rp '000	%	Rp '000	Rp '000	%
Revenue	106,328,763	79,679,377	33	192,448,846	168,412,437	14
Cost of sales	(80,996,201)	(61,763,059)	31	(156,340,979)	(125,080,122)	25
Gross profit	25,332,562	17,916,318	41	36,107,867	43,332,315	(17)
Operating expenses						
Distribution expenses	(239,742)	(126,965)	89	(543,981)	(281,286)	93
Administrative expenses	(9,417,392)	(8,377,270)	12	(18,909,117)	(18,261,289)	4
Finance costs	(2,513)	(2,382)	5	(3,873)	(4,151)	(7)
	(9,659,647)	(8,506,617)	14	(19,456,971)	(18,546,726)	5
Other items of income/(expenses)						
Interest income	3,279,056	2,496,438	31	6,452,712	4,709,120	37
Other income	1,192,364	880,751	35	3,664,943	2,636,766	39
Other expenses	(463,581)	(504,405)	(8)	(961,900)	(1,899,793)	(49)
Foreign exchange gain/(loss), net	562,849	(6,819,560)	n.m.	(6,924,409)	(9,563,875)	(28)
	4,570,688	(3,946,776)	n.m.	2,231,346	(4,117,782)	n.m.
Profit before income tax	20,243,603	5,462,925	271	18,882,242	20,667,807	(9)
Income tax expense	(2,936,547)	(2,012,937)	46	(4,193,384)	(4,552,992)	(8)
Profit for the financial period	17,307,056	3,449,988	402	14,688,858	16,114,815	(9)
n.m.: Not meaningful						

	2nd Qtr 2016	2nd Qtr 2015	Change	YTD June 2016	YTD June 2015	Change
	Rp '000	Rp '000	%	Rp '000	Rp '000	%
Other comprehensive income:						
<u>Items that may be reclassified subsequently to profit or loss:</u>						
Foreign currency translation differences on translation of non-Indonesian rupiah financial statements	(2,076,756)	14,085,245	n.m.	713,142	17,322,888	(96)
Total comprehensive income for the financial period	15,230,300	17,535,233	(13)	15,402,000	33,437,703	(54)
Profit attributable to:						
Owners of the parent	16,513,528	3,031,487	445	14,056,970	15,100,613	(7)
Non-controlling interests	793,528	418,501	90	631,888	1,014,202	(38)
	17,307,056	3,449,988	402	14,688,858	16,114,815	(9)
Total comprehensive income attributable to:						
Owners of the parent	14,436,772	17,116,732	(16)	14,770,112	32,423,501	(54)
Non-controlling interests	793,528	418,501	90	631,888	1,014,202	(38)
	15,230,300	17,535,233	(13)	15,402,000	33,437,703	(54)
n.m.: Not meaningful						

1(a)(ii) Profit before income tax is arrived at after charging / (crediting) the following significant items:

	2nd Qtr 2016	2nd Qtr 2015	Change	YTD June 2016	YTD June 2015	Change
	Rp '000	Rp '000	%	Rp '000	Rp '000	%
Interest income	(3,279,056)	(2,496,438)	31	(6,452,712)	(4,709,120)	37
Finance costs	2,513	2,382	5	3,873	4,151	(7)
Depreciation expense	2,778,637	2,715,286	2	5,497,045	5,426,750	1
Amortisation of operating use rights	11,040	11,040	-	22,080	22,080	-
Foreign exchange loss, net	(562,849)	6,819,560	n.m.	6,924,409	9,563,875	(28)
(Gain)/Loss on disposal of plant and equipment, net	(17,079)	87,665	n.m.	(374,154)	336,179	n.m.
Fair value (gain)/loss from financial assets at fair value through profit or loss	(30,240)	13,860	n.m.	(40,320)	17,010	n.m.
Employment benefits expenses						
- salaries, wages and bonuses	5,519,928	5,208,374	6	12,426,272	11,879,277	5
Operating lease expenses						
- rental of premises	288,072	363,661	(21)	572,133	720,279	(21)
Representation and entertainment	112,979	161,814	(30)	228,380	353,701	(35)
Transportation, travelling and accommodation	266,582	428,729	(38)	519,733	638,756	(19)
Additional information:						
EBITDA (Excluding changes in fair value less estimated point-of-sales costs of biological assets)	19,756,737	5,695,194	247	17,952,528	21,411,668	(16)

1(b)(i) Statement of Financial Position, together with a comparative statement as at the end of the immediately preceding financial year

	Group		Company	
	As at		As at	
	30-06-16	31-12-15	30-06-16	31-12-15
	Rp '000	Rp '000	Rp '000	Rp '000
Non-current assets				
Biological assets	430,312,681	429,061,675	-	-
Property, plant and equipment	132,327,566	131,573,879	65,818	91,854
Investments in subsidiaries	-	-	563,600,307	562,482,402
Plasma plantation receivables	68,267,552	54,019,176	-	-
Operating use rights	628,161	650,241	-	-
Club memberships	1,240,862	1,238,401	1,240,863	1,238,401
Deferred charges	9,467,978	9,397,978	-	-
	642,244,800	625,941,350	564,906,988	563,812,657
Current assets				
Inventories	18,379,535	50,865,985	-	-
Trade and other receivables	17,771,536	24,910,730	334,469,329	409,674,606
Income tax recoverable	14,387,248	14,287,493	-	-
Dividend receivable	-	-	15,538,261	25,313,151
Prepayments	911,370	515,901	472,231	273,260
Financial assets at fair value through profit or loss	93,240	52,920	-	-
Cash and cash equivalents	338,104,359	319,506,506	90,393,208	13,497,296
	389,647,288	410,139,535	440,873,029	448,758,313
Less:				
Current liabilities				
Trade and other payables	23,970,216	32,623,009	814,377	1,284,232
Dividend payable	-	1,062,500	-	-
Finance lease payables	59,958	58,243	-	-
Current income tax payable	508,610	2,038,985	11,026	97,512
	24,538,784	35,782,737	825,403	1,381,744
Net current asset	365,108,504	374,356,798	440,047,626	447,376,569
Less:				
Non-current liabilities				
Finance lease payables	160,435	-	-	-
Provision for post-employment benefits	33,613,199	33,676,272	-	-
Deferred tax liabilities	78,157,575	76,085,895	-	-
	111,931,209	109,762,167	-	-
Net assets	895,422,095	890,535,981	1,004,954,614	1,011,189,226
Capital and reserves				
Share capital	668,063,069	670,628,551	668,063,069	670,628,551
Foreign currency translation reserve	100,368,860	99,655,718	326,319,021	324,289,093
Accumulated profits	99,092,370	92,985,804	10,572,524	16,271,582
Equity attributable to owners of the parent	867,524,299	863,270,073	1,004,954,614	1,011,189,226
Non-controlling interests	27,897,796	27,265,908	-	-
Total equity	895,422,095	890,535,981	1,004,954,614	1,011,189,226

1(b)(ii) Aggregate amount of the Group's borrowings and debt securities

	As at	
	30-06-16 Rp '000	30-06-15 Rp '000
Amount repayable in one year or less, or on demand		
Secured	59,958	26,988
Unsecured	-	-
Total	59,958	26,988
Amount repayable after one year		
Secured	160,435	58,243
Unsecured	-	-
Total	160,435	58,243

1(c) Consolidated Statement of Cash Flows, together with a comparative statement for the corresponding period of the immediately preceding financial year

	2nd Qtr 2016 Rp '000	2nd Qtr 2015 Rp '000	YTD June 2016 Rp '000	YTD June 2015 Rp '000
Cash flows from operating activities				
Profit before income tax	20,243,603	5,462,925	18,882,242	20,667,807
Adjustments for:				
Amortisation of operating use rights	11,040	11,040	22,080	22,080
(Gain)/Loss on disposal of plant and equipment, net	(17,079)	87,665	(374,154)	336,179
Gain on disposal of biological assets, net	-	-	(1,633,908)	-
Depreciation expense	2,778,637	2,715,286	5,497,045	5,426,750
Fair value (gain)/loss from financial assets at fair value through profit or loss	(30,240)	13,860	(40,320)	17,010
Finance costs	2,513	2,382	3,873	4,151
Interest income	(3,279,056)	(2,496,438)	(6,452,712)	(4,709,120)
Unrealised currency translation (gain)/loss	(2,327,032)	7,883,659	3,885,787	3,883,778
Operating cash flows before working capital changes	17,382,386	13,680,379	19,789,933	25,648,635
Working capital changes:				
Inventories	18,229,187	(10,930,291)	32,486,449	(19,058,258)
Trade and other receivables	74,505,788	(2,345,335)	74,169,731	(4,501,963)
Prepayments	(532,298)	1,767,310	(394,373)	807,074
Trade and other payables	(100,269,011)	11,858,479	(82,928,792)	(3,616,576)
Utilisation of post-employment benefits	-	-	(63,073)	(278,932)
Cash generated from/(used in) operations	9,316,052	14,030,542	43,059,875	(1,000,020)
Interest received	4,970,062	2,515,350	6,366,052	4,727,118
Income tax paid	632,437	(17,120,987)	(3,278,918)	(19,691,962)
Net cash from/(used in) operating activities	14,918,551	(575,095)	46,147,009	(15,964,864)

	2nd Qtr 2016	2nd Qtr 2015	YTD June 2016	YTD June 2015
	Rp '000	Rp '000	Rp '000	Rp '000
Cash flows from investing activities				
Acquisition of biological assets	(3,743,533)	(4,095,564)	(6,089,519)	(7,996,407)
Purchase of plant and equipment	(2,265,818)	(8,126,143)	(6,235,094)	(11,372,115)
Proceeds from disposal of plant and equipment	151,349	492,506	560,440	618,722
Payments for deferred expenditure	-	-	(70,000)	(1,430,000)
Net cash used in investing activities	(5,858,002)	(11,729,201)	(11,834,173)	(20,179,800)
Cash flows from financing activities				
Dividends paid to equity holders of the Company	(7,950,404)	(28,001,674)	(7,950,404)	(28,001,674)
Dividends paid to non-controlling interest	-	(250,000)	(1,062,500)	(250,000)
Share buyback held in treasury	(529,307)	(954,834)	(2,565,482)	(2,556,423)
Finance lease interest paid	(2,513)	(2,382)	(3,873)	(4,151)
Repayments of obligations under finance leases	(25,651)	(12,991)	(39,664)	(26,596)
Net cash used in financing activities	(8,507,875)	(29,221,881)	(11,621,923)	(30,838,844)
Net change in cash and cash equivalents	552,674	(41,526,177)	22,690,913	(66,983,508)
Cash and cash equivalents at beginning of financial period	338,227,273	394,450,139	319,506,506	412,722,129
Effects of currency translation on cash and cash equivalents	(675,588)	5,989,570	(4,093,060)	13,174,911
Cash and cash equivalents at end of financial period	338,104,359	358,913,532	338,104,359	358,913,532



GLOBAL PALM RESOURCES HOLDINGS LIMITED

1(d)(i) A statement (for the issuer and group) showing either (i) all changes in equity or (ii) changes in equity other than those arising from capitalization issues and distributions to shareholders, together with a comparative statement for the corresponding period of the immediately preceding financial year.

Group	Attributable to owners of the parent					Non-controlling interests Rp '000	Total equity Rp '000
	Share capital Rp '000	Foreign currency translation reserve Rp '000	Accumulated profits Rp '000	Equity attributable to owners of the parent Rp '000			
Balance as at 1 January 2016	670,628,551	99,655,718	92,985,804	863,270,073	27,265,908	890,535,981	
Profit for the financial period	-	-	14,056,970	14,056,970	631,888	14,688,858	
Other comprehensive income for the financial period:							
Foreign currency translation differences on translation of non-Indonesian rupiah financial statements	-	713,142	-	713,142	-	713,142	
Total comprehensive income for the financial period	-	713,142	14,056,970	14,770,112	631,888	15,402,000	
Transactions with owners recorded directly in equity:							
Share buyback held in treasury	(2,565,482)	-	-	(2,565,482)	-	(2,565,482)	
Total transactions with owners	(2,565,482)	-	-	(2,565,482)	-	(2,565,482)	
Dividend paid	-	-	(7,950,404)	(7,950,404)	-	(7,950,404)	
Balance as at 30 June 2016	668,063,069	100,368,860	99,092,370	867,524,299	27,897,796	895,422,095	



GLOBAL PALM RESOURCES HOLDINGS LIMITED

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	Attributable to owners of the parent				Non-controlling interests Rp '000	Total equity Rp '000
	Share capital Rp '000	Foreign currency translation reserve Rp '000	Accumulated profits Rp '000	Equity attributable to owners of the parent Rp '000		
Group						
Balance as at 1 January 2015	674,562,922	87,079,615	215,164,476	976,807,013	33,507,463	1,010,314,476
Profit for the financial period	-	-	15,100,613	15,100,613	1,014,202	16,114,815
Other comprehensive income for the financial period: Foreign currency translation differences on translation of non-Indonesian rupiah financial statements	-	17,322,888	-	17,322,888	-	17,322,888
Total comprehensive income for the financial period	-	17,322,888	15,100,613	32,423,501	1,014,202	33,437,703
Transactions with owners recorded directly in equity:						
Share buyback held in treasury	(2,556,423)	-	-	(2,556,423)	-	(2,556,423)
Total transactions with owners	(2,556,423)	-	-	(2,556,423)	-	(2,556,423)
Dividend paid	-	-	(28,001,674)	(28,001,674)	-	(28,001,674)
Balance as at 30 June 2015	672,006,499	104,402,503	202,263,415	978,672,417	34,521,665	1,013,194,082



GLOBAL PALM RESOURCES HOLDINGS LIMITED

1(d)(i) A statement (for the issuer and group) showing either (i) all changes in equity or (ii) changes in equity other than those arising from capitalization issues and distributions to shareholders, together with a comparative statement for the corresponding period of the immediately preceding financial year.

	Share capital Rp '000	Foreign currency translation reserve Rp '000	Accumulated profits Rp '000	Total equity Rp '000
Company				
Balance as at 1 January 2016	670,628,551	324,289,093	16,271,582	1,011,189,226
Profit for the financial period	-	-	2,251,346	2,251,346
Other comprehensive income for the financial period				
Foreign currency translation differences on translation of non-Indonesian rupiah financial statements	-	2,029,928	-	2,029,928
Total comprehensive income for the financial period	-	2,029,928	2,251,346	4,281,274
Transactions with owners recorded directly in equity:				
Share buyback held in treasury	(2,565,482)	-	-	(2,565,482)
Total transactions with owners	(2,565,482)	-	-	(2,565,482)
Dividend paid	-	-	(7,950,404)	(7,950,404)
Balance as at 30 June 2016	668,063,069	326,319,021	10,572,524	1,004,954,614
Balance as at 1 January 2015	674,562,922	289,353,443	31,894,545	995,810,910
Profit for the financial period	-	-	(5,014,084)	(5,014,084)
Other comprehensive income for the financial period				
Foreign currency translation differences on translation of non-Indonesian rupiah financial statements	-	49,427,877	-	49,427,877
Total comprehensive income for the financial period	-	49,427,877	(5,014,084)	44,413,793
Share buyback held in treasury	(2,556,423)	-	-	(2,556,423)
Total transactions with owners	(2,556,423)	-	-	(2,556,423)
Dividend paid	-	-	(28,001,675)	(28,001,675)
Balance as at 30 June 2015	672,006,499	338,781,320	(1,121,214)	1,009,666,605

1 (d) (ii) Details of any changes in the company's share capital arising from rights issue, bonus issue, share buy-backs, exercise of share options or warrants, conversion of other issues of equity securities, issue of shares for cash or as consideration for acquisition or for any other purpose since the end of the previous period reported on. State also the number of shares that may be issued on conversion of all the outstanding convertibles, as well as the number of shares held as treasury shares, if any, against the total number of issued shares excluding treasury shares of the issuer, as at the end of the current financial period reported on and as at the end of the corresponding period of the immediately preceding financial year.

On 8 December 2015, the Company consolidated every two existing issued ordinary shares into one ordinary share in the capital of the Company.

As at 30 June 2016, the number of ordinary shares in issue was 206,484,000 of which 3,947,600 were held by the Company as treasury shares (30 June 2015: 412,968,000 ordinary shares of which 4,943,600 were held as treasury shares or 206,484,000 ordinary shares of which 2,471,800 were held as treasury shares after the 2:1 share consolidation).

During the period April 2016 to June 2016, the Company purchased 198,900 shares from the open market (April 2015 to June 2015: 496,000 shares or 248,000 after 2:1 share consolidation).

The total number of treasury shares held by the Company as at 30 June 2016 was 3,947,600 (30 June 2015: 4,943,600 or 2,471,800 after 2:1 share consolidation).

Treasury shares are presented as a component within equity attributable to owners of the parent.

Group and Company	Number of treasury shares	Treasury shares Rp '000
Balance as at 1 April 2016	3,748,700	13,224,671
Purchase of treasury shares	198,900	529,307
Balance as at 30 June 2016	3,947,600	13,753,978

Total number of treasury shares against issued shares (excluding treasury shares):

Number of shares	As at 30 June 2016	As at 30 June 2015
Treasury shares	3,947,600	4,943,600
Issued shares (excluding treasury shares)	202,536,400	408,024,400
Share Consolidation	-	(206,484,000)
Total shares in issue	206,484,000	206,484,000

1 (d) (iii) To show the total number of issued shares excluding treasury shares as at the end of the current financial period and as at the end of the immediately preceding year.

Total number of issued shares (excluding treasury shares):

As at 30 June 2016	As at 31 December 2015
202,536,400	203,569,500

As at 30 June 2016, the number of ordinary shares in issue was 206,484,000 of which 3,947,600 were held by the Company as treasury shares (31 December 2015: 206,484,000 ordinary shares of which 2,914,500 were held as treasury shares after the 2:1 share consolidation).

1 (d) (iv) A statement showing all sales, transfers, disposal, cancellation and/or use of treasury shares as at the end of the current financial period reported on.

During the period April 2016 to June 2016, the Company purchased 198,900 shares from the open market (April 2015 to June 2015: 496,000 shares or 248,000 shares after 2:1 share consolidation on 8 December 2015).

The total number of treasury shares held by the Company as at 30 June 2016 was 3,947,600 (30 June 2015: 4,943,600 or 2,471,800 after 2:1 share consolidation on 8 December 2015).

Treasury shares are presented as a component within equity attributable to owners of the parent.

Group and Company	Number of shares	Treasury shares Rp '000
Balance as at 1 April 2016	3,748,700	13,224,671
Purchase of treasury shares	198,900	529,307
Balance as at 30 June 2016	3,947,600	13,753,978

2. Whether the figures have been audited or reviewed, and in accordance with which auditing standard or practice has been followed.

These figures have not been audited, or reviewed by the auditors.

3. Where the figures have been audited or reviewed, the auditors' report (including any qualifications or emphasis of a matter.

Not applicable.

4. Whether the same accounting policies and methods of computation as in the issuer's most recently audited annual financial statements have been applied.

The Group has applied the same accounting policies and methods of computation in the financial statements for the current financial period compared with the audited consolidated financial statements for the financial year ended 31 December 2015 except for the valuation of biological assets and the actuarial valuation of the post-employment benefits which will be undertaken at the end of the financial year. In addition, the Group also adopted various revisions to the FRS, except for Amendments to FRS 16 and FRS 41 – Agriculture: Bearer Plants which becomes effective during this period.

5. If there are any changes in the accounting policies and methods of computation, including any required by an accounting standard, what has changed, as well as the reasons for, and the effect of, the change.

Not applicable.

6. Earnings per ordinary share of the group for the current financial period reported on and the corresponding period of the immediately preceding financial year, after deducting any provision for preference dividends; (a) Based on the weighted average number of ordinary shares on issue; and (b) On a fully diluted basis (detailing any adjustments made to the earnings).

	2nd Qtr 2016	2nd Qtr 2015	YTD June 2016	YTD June 2015
	Rp	Rp	Rp	Rp
Earnings per share for the period (Rp)				
(a) based on weighted average number of shares	81	7	69	37
(b) based on a fully diluted basis	81	7	69	37
Note : If assume has been consolidated 2:1 for 2015				
(a) based on weighted average number of shares	81	15	69	74
(b) based on a fully diluted basis	81	15	69	74
Number of shares outstanding				
- Weighted average number of shares	202,678,985	412,626,820	202,843,760	408,685,150
Note : If assume has been consolidated 2:1 for 2015	202,678,985	206,313,410	202,843,760	204,342,575

7. Net asset value (for the issuer and group) per ordinary share based on the total number of issued shares excluding treasury shares of the issuer at the end of the; (a) current financial period reported on; and (b) immediately preceding financial year.

	Group		Company	
	As at		As at	
	30-06-16	31-12-15	30-06-16	31-12-15
Net asset value per ordinary share (Rp)	4,421	4,375	4,962	4,967
Number of issued shares excluding treasury shares	202,536,400	203,569,500	202,536,400	203,569,500

8. A review of the performance of the group, to the extent necessary for a reasonable understanding of the group's business. It must include a discussion of the following; (a) any significant factors that affected the turnover, costs, and earnings of the group for the current financial period reported on, including (where applicable) seasonal or cyclical factors; and (b) any material factors that affected the cash flow, working capital, assets or liabilities of the group during the current financial period reported on.

Review of Group performance

2Q2016 versus 2Q2015

Revenue

Our revenue for 2Q2016 increased Rp26.6 billion or 33%, from Rp79.7 billion in 2Q2015 to Rp106.3 billion in 2Q2016, mainly contributed by higher crude palm oil ("CPO") sales revenue of Rp18.5 billion and higher palm kernel ("PK") sales revenue of Rp8.1 billion.

CPO sales revenue increased by Rp18.5 billion or 26%, from Rp72.0 billion in 2Q2015 to Rp90.5 billion in 2Q2016, which was contributed by higher CPO average selling prices and higher sales volume. Sales volume of CPO increased by 1,298 tons or 13% from 10,006 tons in 2Q2015 to 11,304 tons in 2Q2016. CPO average selling price increased by Rp810 per kilogram or 11%, from Rp7,194 per kilogram in 2Q2015 to Rp8,004 per kilogram in 2Q2016.

PK sales revenue increased by Rp8.1 billion or 106%, from Rp7.7 billion in 2Q2015 to Rp15.8 billion in 2Q2016, which was contributed by higher sales volume and higher PK average selling price. Sales volume of PK increased by 1,015 tons or 51%, from 2,000 tons in 2Q2015 to 3,015 tons in 2Q2016. Average selling price of PK increased by Rp1,408 per kilogram or 37% from Rp3,849 per kilogram in 2Q2015 to Rp5,257 per kilogram in 2Q2016.

Costs of sales

Cost of sales increased by Rp19.2 billion or 31%, from Rp61.8 billion in 2Q2015 to Rp81.0 billion in 2Q2016. This was mainly due to the higher CPO and PK sales volume.

Gross profit

As a result of the foregoing, gross profit increased by Rp7.4 billion or 41%, from Rp17.9 billion in 2Q2015 to Rp25.3 billion in 2Q2016. Gross profit margin increased from 22.5% in 2Q2015 to 23.8% in 2Q2016.

Distribution expenses

Distribution expenses increased by Rp0.1 billion or 89%, from Rp0.1 billion in 2Q2015 to Rp0.2 billion in 2Q2016 mainly due to the higher freight incurred for the transportation of PK from the plantation's bulk storage warehouse to the loading port of Pontianak.

Administrative expenses

Administrative expenses increased by Rp1.0 billion or 12% from Rp8.4 billion in 2Q2015 to Rp9.4 billion in 2Q2016. This was mainly due to increased expenses on professional fees in 2Q2016.

Finance costs

Finance cost remained stable in 2Q2016 and in 2Q2015.

Interest income

Interest income increased by Rp0.8 billion or 31%, from Rp2.5 billion in 2Q2015 to Rp3.3 billion in 2Q2016, mainly due to interest earned from the plasma plantation receivables.

Other income

Other income increased by Rp0.3 billion or 35%, from Rp0.9 billion in 2Q2015 to Rp1.2 billion in 2Q2016, which was mainly due to increase in sales revenue of kernel shells by Rp0.2 billion in 2Q16.

Other expenses

Other expenses remained stable at Rp0.5 billion in 2Q2016 and in 2Q2015.

Foreign exchange gain, net

Net foreign exchange gain of Rp0.6 billion in 2Q2016 was mainly attributable to the strengthening of IDR against SGD in relation to the Company's IDR denominated inter-company non-working capital financing for its subsidiary.

Profit before income tax

As a result of the foregoing, profit before income tax increased by Rp14.7 billion or 271%, from Rp5.5 billion in 2Q2015 to Rp20.2 billion in 2Q2016.

Income tax expense

Income tax expense increased by Rp0.9 billion or 46% from Rp2.0 billion in 2Q2015 to Rp2.9 billion in 2Q2016. The increase is in line with the higher revenue generated.

Profit after income tax

As a result of the above, profit after income tax increased by Rp13.9 billion or 402%, from Rp3.4 billion in 2Q2015 to Rp17.3 billion in 2Q2016.

1H2016 versus 1H2015

Revenue

Our revenue for 1H2016 increased by Rp24.0 billion or 14%, from Rp168.4 billion in 1H2015 to Rp192.4 billion in 1H2016, mainly due to higher crude palm oil (“CPO”) sales revenue of Rp19.2 billion and higher palm kernel (“PK”) sales revenue of Rp4.8 billion.

CPO sales revenue increased by Rp19.2 billion or 13%, from Rp151.4 billion in 1H2015 to Rp170.6 billion in 1H2016 due to higher sales volume partially offset by lower CPO average selling prices. Sales volume of CPO increased 3,953 tons from 20,211 tons in 1H2015 to 24,164 tons in 1H2016. CPO average selling price decreased by Rp430 per kilogram, from Rp7,490 per kilogram in 1H2015 to Rp7,060 per kilogram in 1H2016.

PK sales revenue increased by Rp4.8 billion or 28%, from Rp17.0 billion in 1H2015 to Rp21.8 billion in 1H2016 due to higher sales volume and higher PK average selling price. Sales volume of PK increased 1,024 tons, from 4,000 tons in 1H2015 to 5,024 tons in 1H2016. Average selling price of PK increased by Rp89 per kilogram from Rp4,258 per kilogram in 1H2015 to Rp4,347 per kilogram in 1H2016.

Costs of sales

Cost of sales increased by Rp31.3 billion or 25%, from Rp125.0 billion in 1H2015 to Rp156.3 billion in 1H2016. This was mainly due to the higher CPO and PK sales volume.

Gross profit

As a result of the foregoing, gross profit decreased by Rp7.2 billion or 17%, from Rp43.3 billion in 1H2015 to Rp36.1 billion in 1H2016. Gross profit margin decreased 6.9% from 25.7% in 1H2015 to 18.8% in 1H2016.

Distribution expenses

Distribution expenses increased by Rp0.3 billion or 93% from Rp0.3 billion in 1H2015 to Rp0.5 billion in 1H2016 mainly due to the higher freight incurred for the transportation of PK from the plantation’s bulk storage warehouse to the loading port of Pontianak.

Administrative expenses

Administrative expenses increased by Rp0.6 billion or 4% from Rp18.3 billion in 1H2015 to Rp18.9 billion in 1H2016. This was mainly due to increased expenses on professional fees in 1H2016.

Finance costs

Finance cost remained stable in 1H2016 and in 1H2015.

Interest income

Interest income increased by Rp1.7 billion or 37%, from Rp4.7 billion in 1H2015 to Rp6.5 billion in 1H2016, mainly due to interest earned from the plasma plantation receivables.

Other income

Other income increased by Rp1.0 billion or 39%, from Rp2.6 billion in 1H2015 to Rp3.6 billion in 1H2016, which was mainly due to increase in sales revenue of kernel shells by Rp0.6 billion in 1H2016.

Other expenses

Other expenses decreased by Rp0.9 billion or 49%, from Rp1.9 billion in 1H2015 to Rp1.0 billion in 1H2016, mainly due to decrease in survey expenses for new potential plantation areas and decrease in land application expenses.

Foreign exchange loss, net

Net foreign exchange loss of Rp6.9 billion in 1H2016 was mainly attributable to the strengthening of IDR against USD for the USD bank balances held.

Profit before income tax

As a result of the foregoing, profit before income tax decreased by Rp1.8 billion or 9%, from Rp20.7 billion in 1H2015 to Rp18.9 billion in 1H2016.

Income tax expense

Income tax expense decreased by Rp0.4 billion or 8% from Rp4.6 billion in 1H2015 to Rp4.2 billion in 1H2016. The decrease is in line with the lower profit generated.

Profit after income tax

As a result of the above, profit after income tax decreased by Rp1.4 billion or 9% from Rp16.1 billion in 1H2015 to Rp14.7 billion in 1H2016.

Review of Financial Position as at 30 June 2016

Non-current assets

Non-current assets for the Group increased by Rp16.3 billion or 3%, from Rp625.9 billion as at 31 December 2015 to Rp642.2 billion as at 30 June 2016. This was mainly due to the additional credit extended to the Plasma farmers for the biological assets transferred under the government policy and the purchase of property, plant and equipment.

Current assets

Current assets for the Group decreased by Rp20.5 billion or 5%, from Rp410.1 billion as at 31 December 2015 to Rp389.6 billion as at 30 June 2016. This was mainly due to the decrease in the inventories of Rp32.5 billion and trade and other receivable of Rp7.1 billion offset partially by increase in cash and cash equivalent of Rp18.6 billion.

Current liabilities

Current liabilities for the Group decreased by Rp11.2 billion or 31%, from Rp35.8 billion as at 31 December 2015 to Rp24.6 billion as at 30 June 2016. This was mainly due to the decrease of Rp8.7 billion in trade and other payables resulted from the advances from customers and lower current income tax and dividend payables.

Non-current liabilities

Non-current liabilities for the Group increased by Rp2.1 billion or 2% from Rp109.8 billion as at 31 December 2015 to Rp111.9 billion as at 30 June 2016, mainly due to the increase in deferred tax liabilities.

Review of Consolidated Cash Flows

Net cash from operating activities of Rp46.1 billion was mainly due to the cash generated from the decrease in inventories.

Net cash used in investing activities of Rp11.8 billion comprised mainly the cost of maintaining the immature plantation and nurseries, and purchase of plant and equipment.

Net cash used in financing activities of Rp11.6 billion was mainly due to dividends paid to owners of the parent of Rp7.9 billion and dividends paid to non-controlling interest equity holders of the Company of Rp1.1 billion, and for the buyback of the Company's shares to be held as treasury shares of Rp2.6 billion.

9. Where a forecast, or a prospect statement, has been previously disclosed to shareholders, any variance between it and the actual results.

Not applicable.

10. A commentary at the date of the announcement of the significant trends and competitive conditions of the industry in which the group operates and any known factors or events that may affect the group in the next reporting period and the next 12 months.

CPO prices are expected to remain volatile considering the uncertainty in the global economy and abnormal weather's affect on market dynamics. However, the demand for palm oil is expected to remain strong in view of rising food requirements from China, India, Indonesia and emerging markets, as well as demand from the biofuel, oleochemicals and compound feed industries.

Notwithstanding the volatility and price pressures on CPO, the Group believes that the demand for palm oil remains sustainable in the long run and will continue to vigilantly review its cost structure, yield and productivity to ensure that it achieves a cost-competitive model in the long run.

11. Dividend

(a) Current Financial Period Reported on
Any dividend to be declared for the current financial period reported on?

None.

(b) Corresponding Period of the Immediately Preceding Financial Year

None.

(c) Date payable

Not applicable.

(d) Books closure date

Not applicable.

12. If no dividend has been declared (recommended), a statement to that effect.

No dividend has been declared or recommended.

13. If the Group has obtained a general mandate from shareholders for IPTs, the aggregate value of such transactions as required under Rule 920(1)(a)(ii). If no IPT mandate has been obtained, a statement to that effect.

Name of interested person	Aggregate value of all interested person transactions during the period under review (excluding transactions less than S\$100,000 and transactions conducted under shareholders' mandate pursuant to Rule 920) (Rp' million)	Aggregate value of all interested person transactions conducted under shareholders' mandate pursuant to Rule 920 (excluding transactions less than S\$100,000) (Rp' million)
	FY2016	FY2016
PT Bumiraya Utama Lines	1,340	NIL*
PT Cemar Lestari	1,940	NIL*

*The Group has not obtained a general mandate from shareholders for Interested Person Transactions.

14. Negative confirmation pursuant to Rule 705(5)

The Directors of the Company do hereby confirm that to the best of their knowledge, nothing has come to their attention which would render the unaudited financial statements for the financial period from 1 January 2016 to 30 June 2016 to be false or misleading in any material aspects.

15. Confirmation that the issuer has procured undertakings from all its directors and executive officers (in the format set out in Appendix 7.7) under Rule 720 (1).

The Company confirmed that the Company has procured undertakings from all its directors and executive officers (in the format set out in Appendix 7.7) under Rule 720 (1).

16. Update of the utilization of the Initial Public Offering ("IPO") proceeds of S\$50.6 million

As at 30 June 2016, the use of net proceeds from the IPO are as follows:

Use of net proceeds	Amount allocated (S\$' million)	Amount utilised (S\$' million)	Balance (S\$' million)
Development of existing uncultivated land banks into oil palm plantations	15.61	13.34 ⁽¹⁾	2.27
Acquisition of other oil palm plantations and land banks	15.00	1.08 ⁽²⁾	13.92 ⁽³⁾
Repayment of the loans to PT Bank CIMB Niaga Tbk ("Bank Niaga")	5.00	5.00	-
Construction of the co-composting plant	2.00	1.49	0.51
Working capital	9.50	9.50	-
Invitation expenses	3.49	3.49	-
Total	50.60	33.90	16.70

As at 30 June 2016, the use of net proceeds from the IPO for working capital are as follows:

	Indonesia Office (S\$' million)	Singapore Office (S\$' million)	Amount utilised (S\$' million)
Plantation & Mill Expenses	1.26	-	1.26
Purchase of FFB	1.76	-	1.76
Transport & Freight	0.36	-	0.36
Fertilizers	1.57	-	1.57
Purchase Fuel	0.35	-	0.35
Suppliers	0.65	-	0.65
Administration Expenses	0.49	1.00	1.49
Bank Interest	0.11	-	0.11
Leasing	0.09	-	0.09
Tax Payment	1.86	-	1.86
Total	8.50	1.00	9.50

Notes:

- (1) Out of the S\$13.34 million utilized for the development of existing uncultivated land banks into oil palm plantations, approximately S\$11.12 million were used for land clearing and new planting purposes.
- (2) The S\$1.08 million utilized for the acquisition of other oil palm plantations and land banks are expenses of S\$0.46 million incurred for the land location permit for 7,170 hectares of land in Muara Lesan Village and Lesan Dayak Village, both located in Berau Regency, East Kalimantan and expenses of S\$0.62 million incurred for the land location permit for 6,546 hectares of land in sub-districts of Ngabang and Jelimpo, both located in Landak Regency, West Kalimantan.
- (3) The Company has the option to acquire PT Cemaru, an Indonesian-incorporated company which holds *Hak Guna Usaha* to approximately 6,429 ha of oil palm plantation land in the Landak Regency in West Kalimantan. The acquisition is subject to the fulfillment of conditions such as the conduct of legal and financial due diligence on PT Cemaru as well as approvals required by the Indonesian authorities.

17. Disclosure of person occupying a managerial position in the issuer or any of its principal subsidiaries who is a relative of a director or chief executive officer or substantial shareholder of the issuer pursuant to Rule 704(13) in the format below. If there are no such persons, the issuer must make an appropriate negative statement.

Name	Age	Family relationship with any director and/or substantial shareholder	Current position and duties, and the year the position was held	Details of changes in duties and position held, if any, during the year
Tan Hung Hwie @ Winoto Adijanto	60	Brother of CEO, Dr Suparno Adijanto	<u>Director of Global Palm Resources Private Limited (Since 2007)</u> - Governing the Company including setting management directions and goals. - Oversee management of company. <u>Director of Ecogreen Resources Investments Limited (Since 2010)</u> - Governing the Company including setting management directions and goals. - Oversee management of company.	Not applicable
Tan Hong Swan @ Tan Hong Whan @ Swandono Adijanto	64	Brother of CEO, Dr Suparno Adijanto	<u>President Commissioner of PT Prakarsa Tani Sejati (Since 2003)</u> - Supervise and advise the Board of Directors. - Non-executive in nature.	Not applicable
Tan Hong Pheng @ Pintarso Adijanto	59	Brother of CEO, Dr Suparno Adijanto	<u>Director of PT Prakarsa Tani Sejati (Since 1993)</u> - Governing the Company including setting management directions and goals. - Oversee management of company.	Not applicable
Ivan Swandono	29	Nephew of CEO, Dr Suparno Adijanto (and the son of Dr Suparno Adijanto's brother, Tan Hong Whan @ Swandono Adijanto)	<u>COO of Global Palm Resources Holdings Limited (Since 2014)</u> - Cover the business development and investment functions of the Group. <u>COO of PT Prakarsa Tani Sejati (Since 2013)</u> - Responsible for the cultivation of palm oil plantation and the daily operations of our palm oil mill.	Appointed as executive director with effect from 12 May 2016

BY ORDER OF THE BOARD

Dr Tan Hong Kiat @ Suparno Adijanto
Executive Chairman & CEO

11 August 2016